Financial Services
Risk Management

Quality In Everything We Do

Treasury Operations Survey 2004 Results

Ernst & Young
In conjunction with The Association of Corporate Treasurers

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1. Executive Summary

The survey was conducted by Ernst & Young's Financial Services Risk Management practice in conjunction with the Association of Corporate Treasurers (ACT). It followed on from the successful 2003 survey. The survey's aim was to allow treasurers to benchmark themselves against other treasuries and to gain an insight into the impact IAS 39 is having on other organisations. Interestingly, given the breadth of respondents and the variety of issues effecting treasurers, there were some interesting themes highlighted by the survey.

Responsibilities, Structure, Staffing and Reporting

Since the last survey there has been an increase in interest from the Board or Senior Executives on the effectiveness of the Treasury function. There has also been a significant increase in the proportion of treasuries that measure their performance, however the increase still only brings the number to 44% of treasuries.

Other highlights from the survey:

- The majority of treasuries have a separate front and back office, an increase on last year.
- Of those with a separate back office, the back office is most likely to report to another department in Finance, rather than the Treasurer.
- The average treasury has up to eight staff in the department, but many expect to resize in the near future.
- Most treasuries have a specialist treasury system, or use a module of an enterprise wide system.

Risk Management

Most treasurers described their operations as either very cautious or cautious, with no treasuries describing themselves as aggressive. All but one respondent has a treasury policy. The existence of treasury wide procedures manuals was lower than expected or desired, especially considering the potential impact of Sarbanes Oxley on a number of respondents.

Cash and liquidity management was seen as the most important treasury responsibility, closely followed by funding and interest rate risk management. This is a change from last year when foreign exchange risk management was identified as the most significant treasury function.

Most companies still manage their interest rate risk using a fixed:floating target ratio or range for their debt. The range or ratio varies depending on the company, but there has been a definite move away from the number of entities with a 50:50 fixed:floating split this year. This may be indicative of treasurers taking a more strategic view on interest rates. Just over half of respondents manage interest rate exposure from debt and investments on a net basis, and only one respondent considers interest rate risk within the pension liability. As more pension liabilities are brought on balance sheet, managing the pension liability interest rate risk may become more prevalent.

As expected the most common method of managing credit risk is by setting limits based on counterparty credit ratings. However, more surprisingly, only a small percentage of respondents measure credit risk on derivative positions. Derivatives can expose companies to significant credit risk, which should be monitored in line with other treasury risk positions.

Other highlights from the survey:

- Most treasuries manage foreign exchange risk on a net basis.
- 40% of respondents with commodity risk choose not to hedge their commodity price exposure at all.
- The majority of treasurers are happy with their daily cash flow information, although cash flow forecasts were found to be more unsatisfactory for longer-term horizons.
- Just over half of respondents monitor credit risk on a daily or real time basis, and only 30% of treasurers measure settlement risk.

Impact of IAS 39

With the 1 January 2005 IAS deadline for the majority of companies only a number of months away, it was encouraging that most of the respondents impacted had started the conversion project and believe that they are on target for the first year of compliance. However it was surprising to see that only 55% of Executive Boards had been actively involved or regularly briefed on the status and implications of the IAS 39 project. Chief Executives will need to be able to explain their results in an IAS environment, which will require an understanding of the impact of IAS 39.

The main areas that required the most effort and attention to meet IAS 39 requirements were hedging, fair valuation and profit & loss volatility. Although respondents expect IAS 39 to increase profit & loss volatility, most expected hedge accounting to reduce this volatility significantly, but not completely.

Most companies expect to be able to achieve hedge accounting under IAS 39 for between 75% and 100% of their FX and interest rate hedge contracts. These figures are much lower for equity, credit and commodity risk. Although many companies did not expect any changes to their economic hedging policy as a result of IAS 39, some indicated an increase in the use of vanilla hedging derivatives or a more back-to-back hedging strategy.

Other highlights from the survey:

- Only 14% of the respondents have agreed their approach with their auditors.
- 41% had not started to document their hedges in line with IAS 39.
- 20% of the respondents have or plan to implement a new treasury system.
- Regression analysis was the most popular effectiveness testing methodology, closely followed by dollar offset.
- Just under half of respondents believe that IAS 39 presents a worse reflection of the risks inherent in a treasury.
- Less than half of the organisations surveyed intend to prepare individual company accounts under IFRS rather than UK GAAP.

2. Responsibilities, Structure, Staffing and Reporting

Responsibilities

All respondents indicated that their treasury was currently responsible for cash and liquidity management and a high proportion had responsibility for treasury risk management, bank relationship management, reporting treasury transactions, corporate/structured finance and accounting for treasury transactions.

Other responsibilities of treasuries varied widely from strategies for capital structure to most forms of risk management, to strategic and tax planning. Very few had responsibility for all third party payments although most managed the majority of bank accounts.

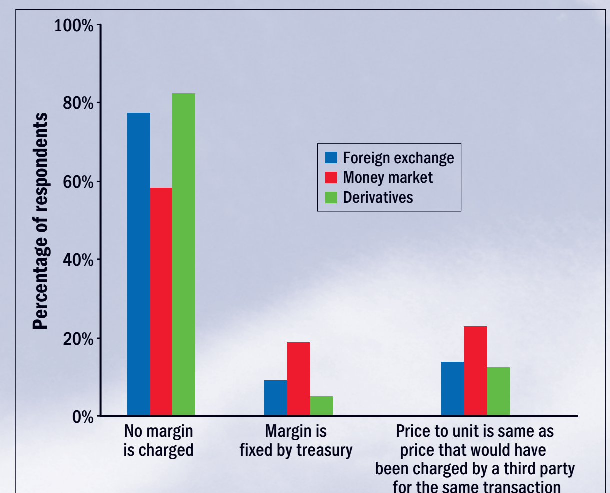
Structure

98% of respondents had separate treasury functions (defined as having a department or division with at least one person involved primarily in treasury related activities) from the business, up from the 90% reported in the last survey.

80% of treasuries are operated as departmental cost centres, while 8% operate as separate companies within the group. The main reason (representing 56% of respondents) for structuring treasuries as either separate companies within the group or self-accounting business units was to allow the transfer of risk into the treasury operation to be transparent. Other prominent reasons provided were to allow treasury performance to be measured and/or to make the treasury function more tax efficient.

The majority of treasuries do not charge business units a margin for treasury transactions. However, treasuries are more likely to charge a margin on money market transactions than other transactions. Of the respondents, 77% and 83% respectively, would not charge a margin on foreign exchange and derivative transactions (Figure 1).

Figure 1 – Treasury Pricing

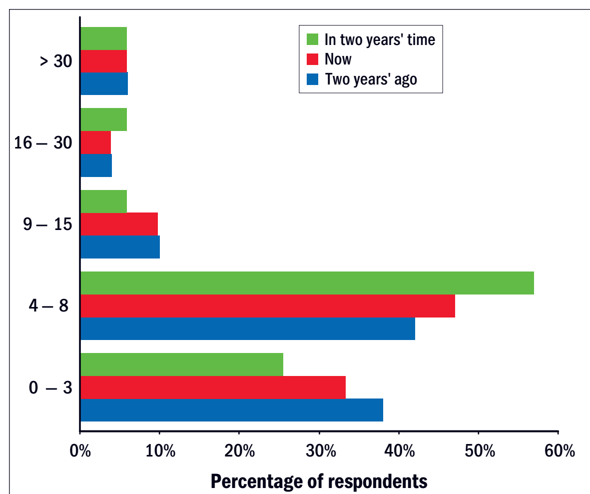


78% of treasuries have a separate front and back office, up from 73% last year. Of those with a separate back office, the back office is most likely to report to another department in Finance (56%) rather than the Treasurer (38%), further enhancing the segregation of duties. A similar trend was observed in the last survey.

Staffing

The majority of respondents have or expect to have up to eight staff in the treasury department, with a move towards more than four staff. This is slightly lower than the 2003 survey results, although there is an increase in those with more than 30 staff (Figure 2).

Figure 2 – Number of Staff

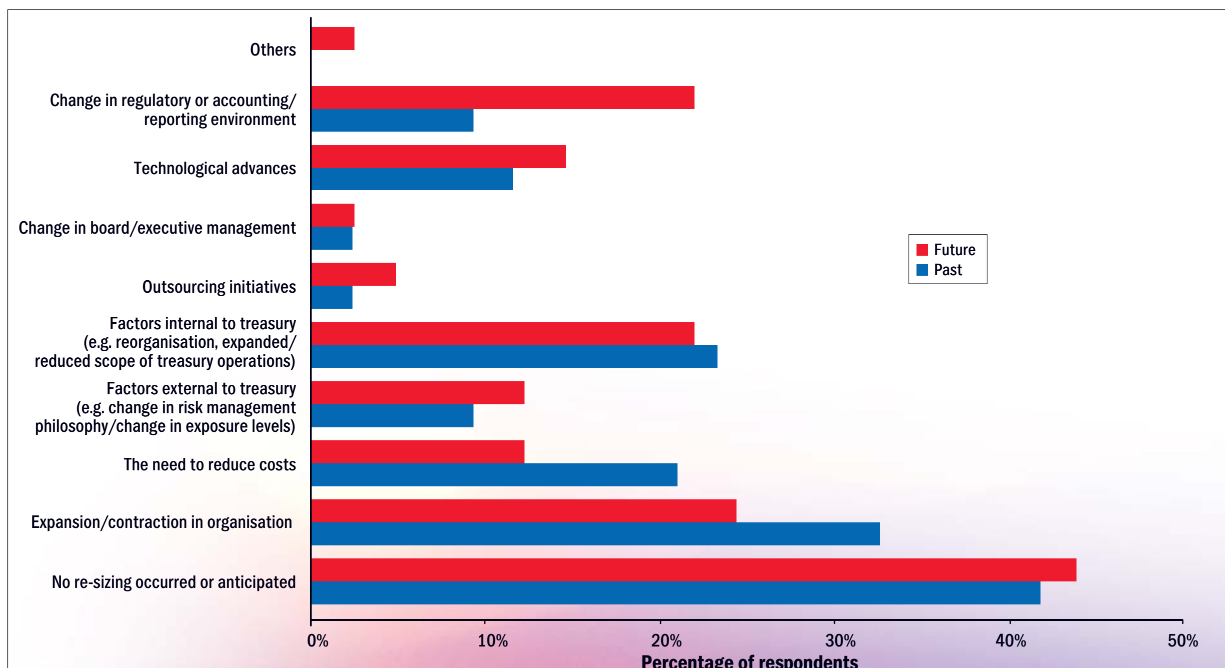


58% of organisations had resized in the last two years, consistent with last year. The key reason for resizing (33%) has been expansion/contraction of the organisation. Other key reasons for resizing were factors internal to treasury such as reorganisation, expanded or reduced scope of treasury operations (23%) and the need to reduce costs (21%).

56% of organisations expected to resize in the near future, which is consistent with last year. Again the biggest factor was expansion/contraction of the organisation (24%), closely followed by factors internal to treasury such as reorganisation, expanded or reduced scope of treasury operations (22%) and change in the regulatory or accounting/reporting environment (22%) (Figure 3).

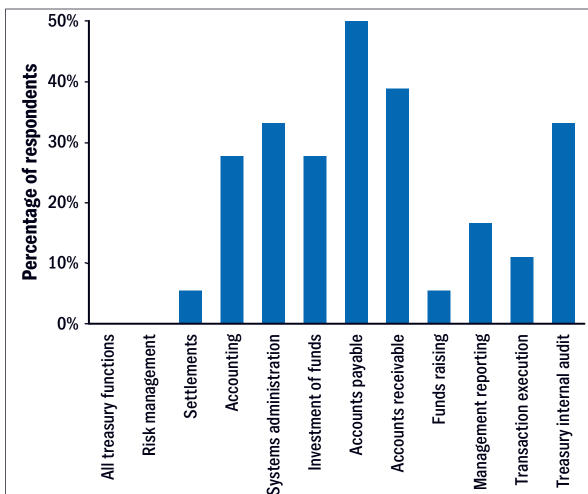
92% of treasuries had between 41% and 100% of employees educated to degree level or professional qualification, reflecting the high calibre of treasury staff.

Figure 3 – Reasons for Reorganisation



35% of respondents had outsourced a treasury function in the past two years, consistent with last year, but the functions outsourced differed. This year, the functions most frequently outsourced were accounts payable (50%), accounts receivable (39%), systems administration (33%) and treasury internal audit (33%) (Figure 4). In comparison, last year the most common function outsourced was treasury internal audit (46%). 33% of respondents are expecting to outsource treasury functions in the future with the two most likely functions to be outsourced being systems administration and internal audit (29% each).

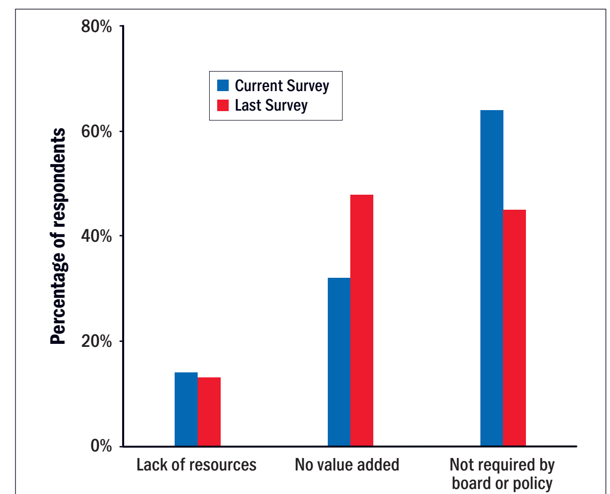
Figure 4 — Split of Treasury Functions Recently Outsourced



Reporting

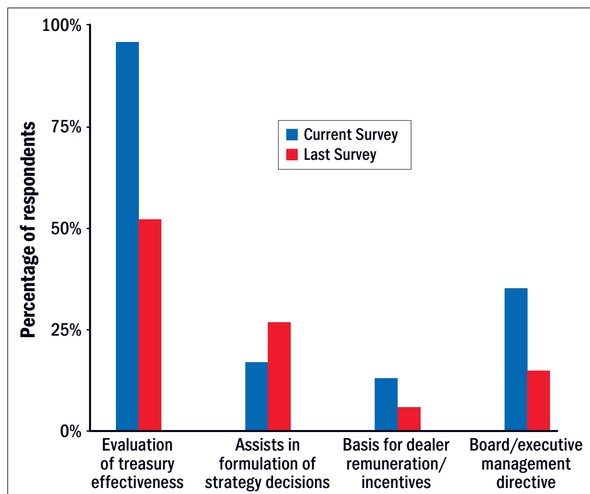
We noted a significant increase in the proportion of treasuries that measure their performance (44%) compared to the 35% reported in our last survey. Where treasury performance is not measured, the main reasons provided were because reporting was not required by the Board (64%) and/or that it added no value (32%). This is a change from last year where more emphasis was placed on lack of added value (Figure 5).

Figure 5 — Reasons for not measuring treasury performance



Of those that do measure performance of their treasury, an overwhelming majority cited evaluation of treasury effectiveness as a reason for doing so, up from 52% in the last survey, (Figure 6). There was also increased interest from Board or Executives on the effectiveness of the Treasury function. 73% of respondents were satisfied with the performance measures, which was slightly up on last year. Most of those not satisfied either felt they were too simplistic or were still in development.

Figure 6 — Reasons for measuring treasury performance



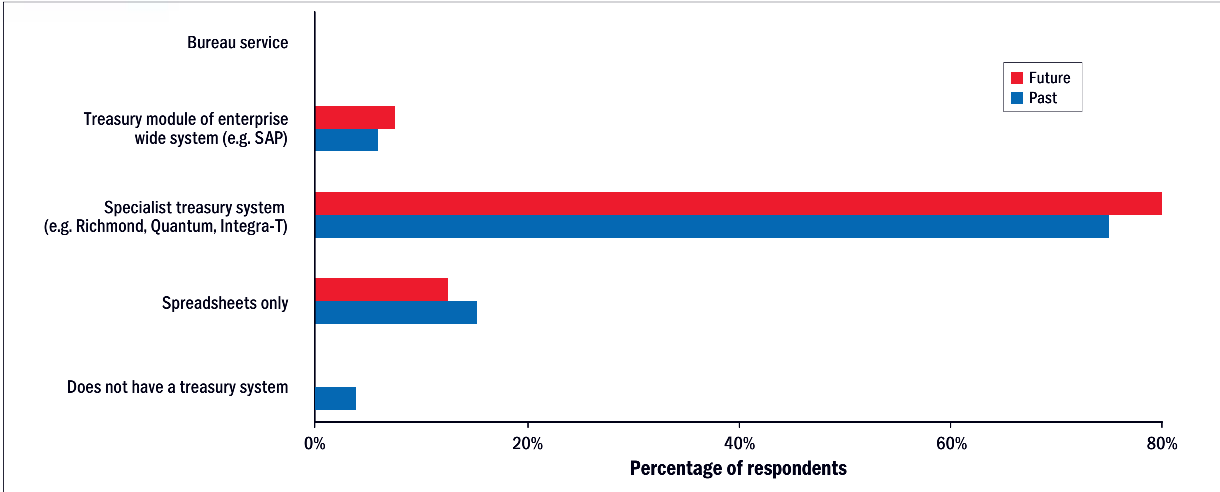
Similar to last year, the majority of those measuring performance use a market related measure eg. funding cost versus LIBOR, while most of the others compared to budgeted rates. Very few benchmarked themselves against competitors.

43% of respondents measure the operational effectiveness of Treasury, an increase from 17% reported in the last survey. However, there was no clear theme of how this was performed.

75% of respondents have a specialist treasury system and another 6% use a module of an enterprise wide system. This is an increase on last year where only 61% used a specialist treasury system. Furthermore, increases are planned as 80% expect to have one in the future. Less than 13% plan to still rely on spreadsheets in the future (Figure 7).

In many instances, treasury systems are linked to the general ledger and to electronic banking systems. In the future, respondents indicated a significant increase in external electronic banking system linkages to treasury systems.

Figure 7 — Type of treasury system used



3. Risk Management

General

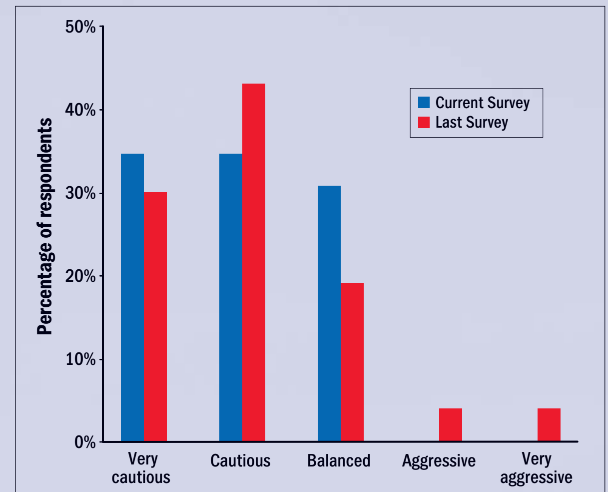
All but one respondent has a treasury policy, which is consistent with last year. However, there has been an increase in the formality of such policies.

Worrying, however, is that the proportion of treasuries with procedures manuals covering all areas of treasury is down from 69% to 52%, conversely there has been a decrease in those with no procedures manuals at all. 65% of those with a procedures manual had updated it within the last year, which was up from 56% last year. This may be a reflection of the need to update procedures manuals for Sarbanes Oxley 404 compliance.

35% of the respondents are required to comply with Sarbanes Oxley 404 regulation. Of those that are impacted, none had completed the work and 21% are still at the planning stage.

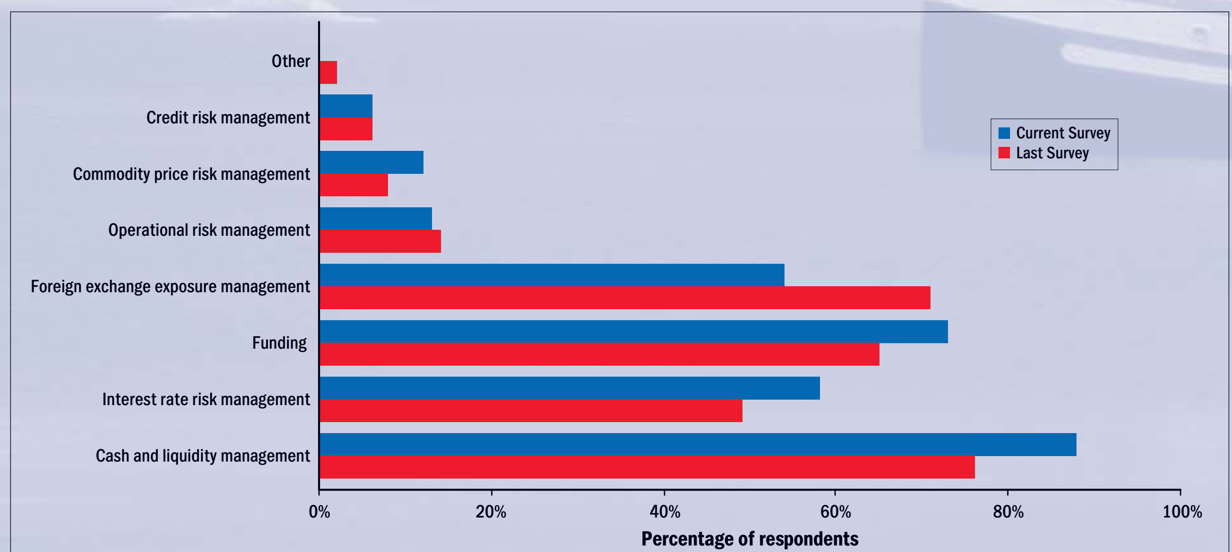
Most treasuries described their operations as very cautious or cautious (70%), a slight decline from the proportion indicated in the last survey. This year no treasuries described their approach as aggressive or very aggressive, in contrast to last year when a handful did (Figure 8).

Figure 8 – Description of Treasury Operations



88% of respondents (78% last year) rated cash and liquidity management in their top three most important risk management functions, followed by funding (73%) and interest rate risk management (58%). Priorities seem to have shifted since the last survey, when foreign exchange risk management featured higher with 69% citing it as most important, compared to 54% this year (Figure 9).

Figure 9 – Most Important Financial Risk Management Function



It was also interesting to note that whilst many respondents did not have any commodity exposure, 40% of those that did decided not to hedge this exposure, much larger than for either FX or interest rate risk.

In determining which derivatives should be used to manage risk, the three most important factors cited were: accounting treatment, risk/reward profile and price. This indicates a significant increase in the importance of accounting treatment as a driver for derivative selection from last year. This trend is almost certainly a reaction to IAS 39 (Figure 10).

44% of treasuries have a formal risk management committee, down from just over half last year. This trend is surprising given that it is good practice.

Interest rate risk

In assessing interest rate risk, 77% of respondents manage their exposure via a fixed:floating target ratio or range for debt, compared to 61% in the last survey.

It is encouraging to note that only 6% of treasuries did not have a policy on interest rate risk, a significant decline from 20% reported in the last survey.

Consistent with last year, the fixed:floating debt ratio varies considerably by entity. However, there has been a definite move away from the number of entities with an even split as seen last year. This may be indicative of treasury policy reflecting a more strategic view on interest rates (Figure 11). 62% of respondents measured interest rate risk for periods up to five years, while 32% measured the risk for up to ten years.

92% of treasuries use derivative instruments to manage their interest rate exposure, compared to 80% last year. Only 55% manage interest rate exposure from debt and investments on a net basis and all but one respondent do not consider interest rate risk within their pension liability.

Figure 10 – Factors in determining which instruments are used

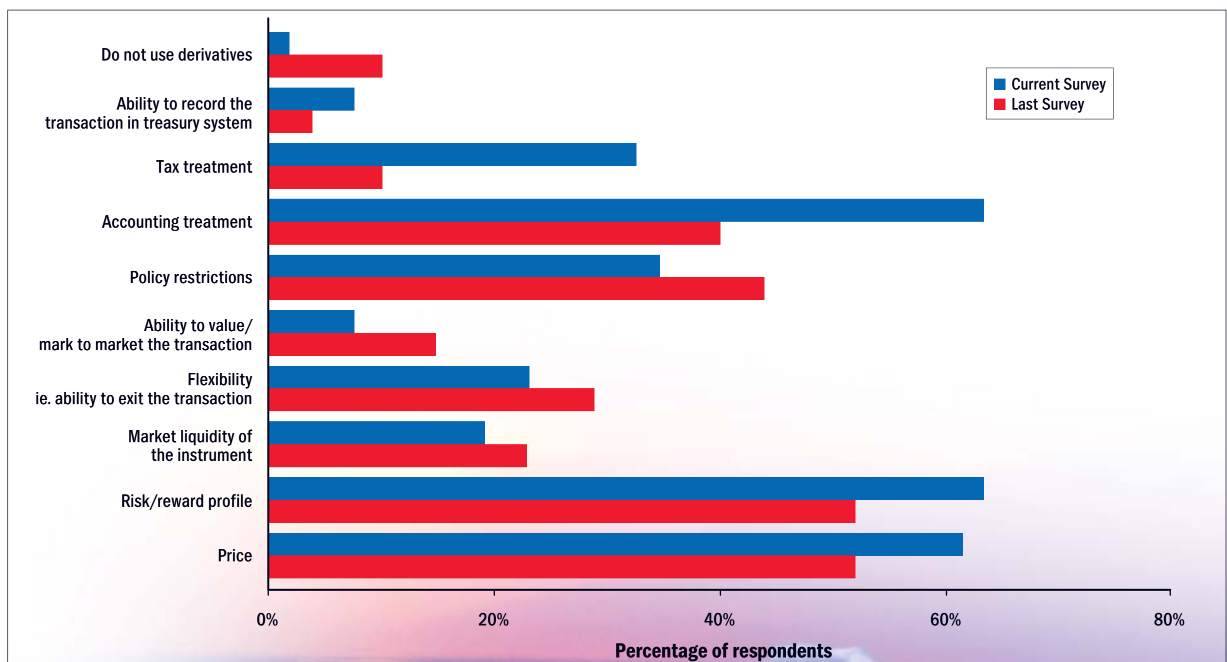
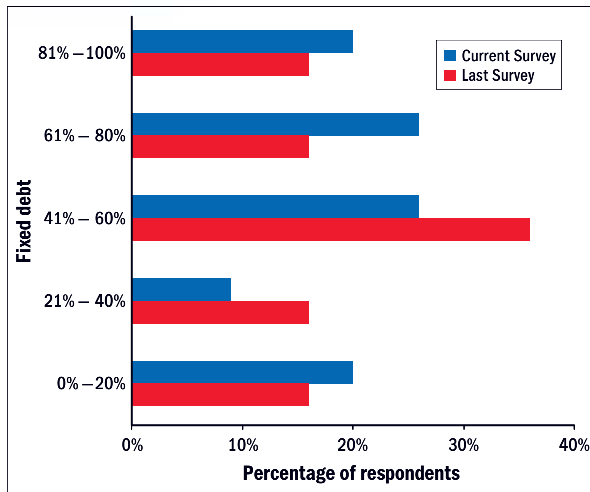


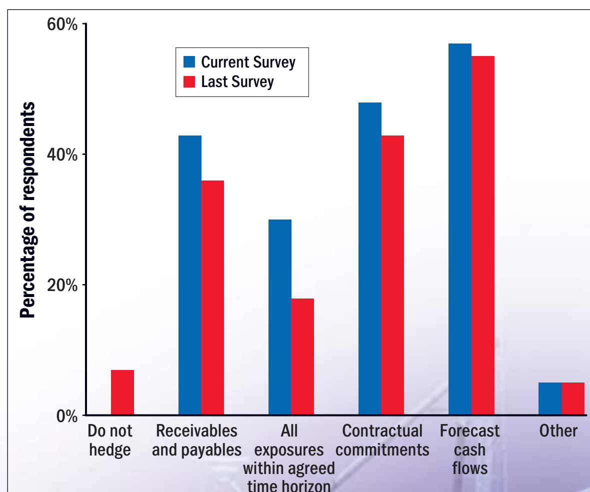
Figure 11 – Fixed/Floating Debt Ratio



Foreign exchange risk management

The majority of organisations are exposed to foreign exchange risk. Forecasted cash flows, contractual commitments and receivables and payables continue to be the most commonly hedged FX exposures. No respondents did not hedge at all (Figure 12).

Figure 12 – Hedged Foreign Exchange Exposures



73% of treasuries manage foreign exchange risk for periods up to three years, while 24% do not have a predetermined time horizon over which this risk is managed. Most treasuries still choose to hedge all committed exposures and a percentage or range of forecast exposures. Of the 64% of treasuries that have offsetting foreign currency positions, 87% manage this risk on a net basis, a similar trend to last year.

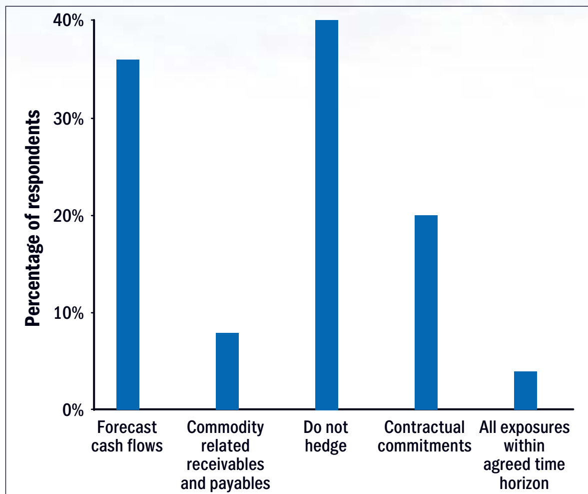
88% of respondents are exposed to foreign exchange translation risk. Of these, 51% hedge the investment only, while 26% hedge both the investment and earnings. 23% of respondents do not hedge their translation risk at all.

Commodity price risk management

Only 54% of the treasuries surveyed had commodity price exposures (47% in last year's sample). 46% of these firms used a specialist unit other than treasury to manage this exposure.

While 40% with commodity risk choose not to hedge their commodity price exposure (a similar proportion to the last survey), the remainder mostly hedged forecast cash flows and contractual commitments (Figure 13). Commodity price risk is commonly managed over a three year time horizon.

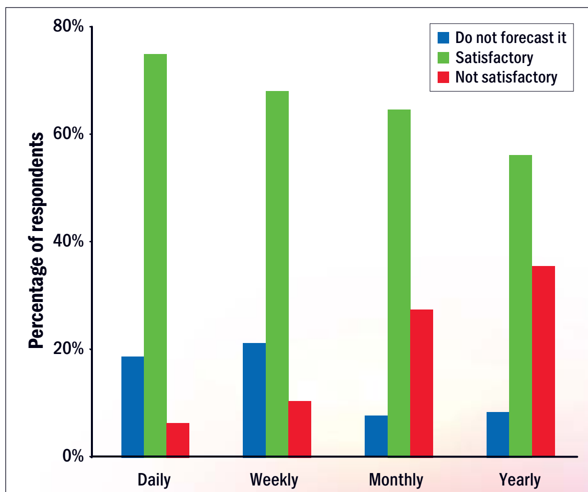
Figure 13 – Commodity Price Hedging



Liquidity management

85% of the treasuries had a liquidity policy, which is consistent with last year. Cash flow forecasts were found to be more unsatisfactory at longer-term horizons, although on the whole, respondents were relatively happy with current cash flow forecasting (Figure 14). Satisfaction levels were consistent with last year's responses.

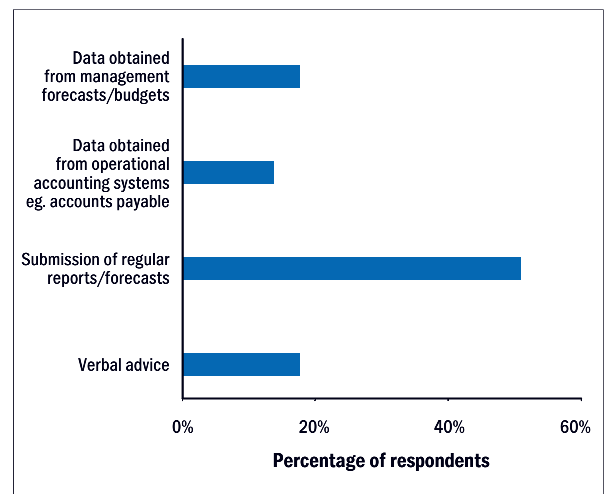
Figure 14 – Cash Flow Forecasting



55% of treasuries believe that their daily cash flow forecasts do not vary by more than 10% from actual requirements. 26% reported a variance greater than 10% while 18% did not know how accurate their forecasts were (20% in the last survey). This statistic is surprising given the stated high level of satisfaction with cashflow forecasts.

Respondents were asked to indicate how they obtained short term cash flow data from business units within the group. Only 51% of organisations received regular formal cash flow forecasts from their business units (57% reported in last survey), 18% of respondents either relied on verbal advice from business units or obtained data from management forecast/budgets (Figure 15).

Figure 15 – Forecast Cash Flow Data Collation from Business Units



63% (an increase on the last survey) of organisations have a policy of maintaining minimum liquidity reserves. The minimum liquidity reserve as a percentage of net debt was spread reasonably evenly, but the most common level was between 21% and 40%. The most widespread form of liquidity reserves are external committed facilities (94%) and cash/liquid investments (67%).

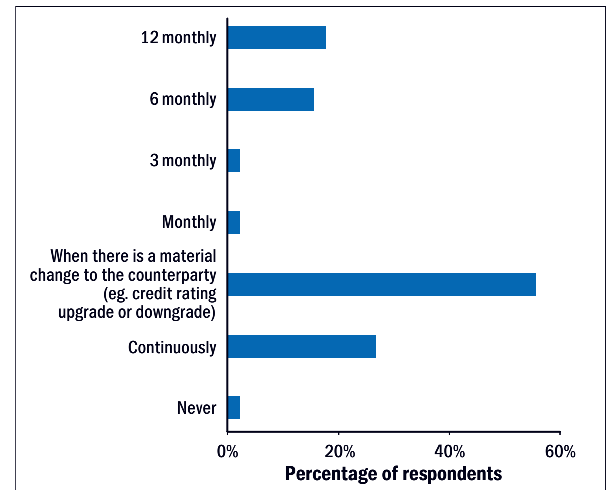
Credit risk

86% of treasuries monitor credit risk for treasury transactions (a slight decline from the 87% reported in the last survey). Credit risk management is undertaken by traders/front office in 57% of the organisations surveyed, which is a decrease from last year.

By far the most common method of managing credit risk is establishing limits based on counterparty ratings. A similar proportion was observed in the last survey (Figure 16).

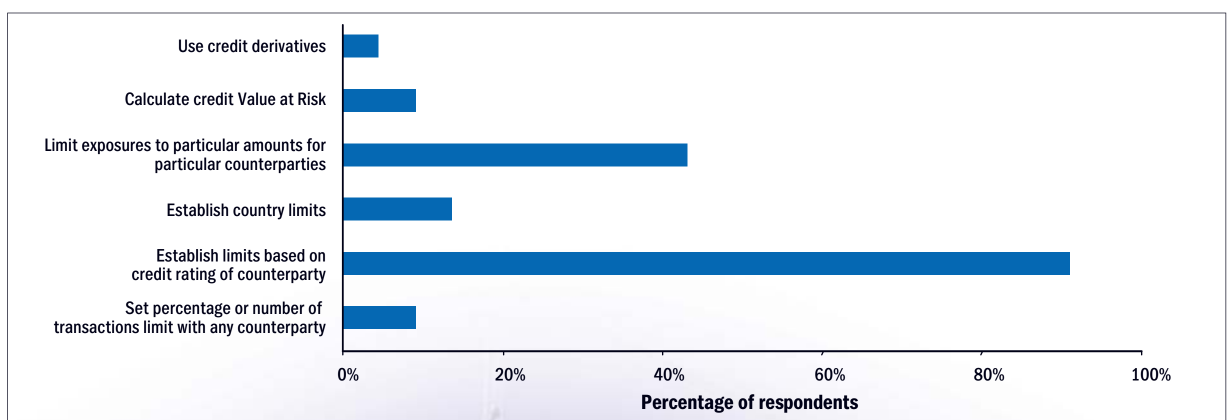
Surprisingly, 22% of respondents do not measure credit risk on derivative positions, up from 20% last year. Those who do, usually calculate it using fair market values and/or a percentage of notional basis. In addition, 56% of firms surveyed do not monitor credit risk on a daily or real time basis — an improvement from the last survey when 63% did not measure credit risk on at least a daily basis.

Figure 17 — Frequency of Credit Limit Reviews



56% of organisations review credit limits when there is a material change to the counterparty. This is a significant decline from 70% reported in the last survey. Others review them on a time elapsed cycle (Figure 17). Only 30% of treasuries measure settlement risk, down from about 40% last year.

Figure 16 — Methods of Managing Credit Risk



4. Impact of IAS 39

General IFRS conversion issues

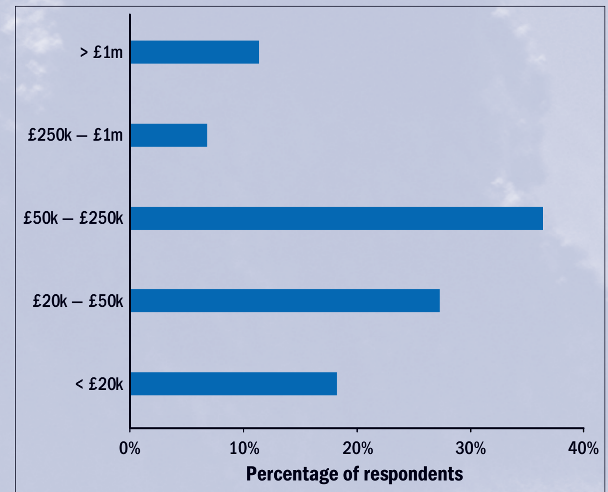
82% of respondents will be complying with IFRS for the first time in the accounting periods starting on or after 1 January 2005, with only 8% already reporting under IFRS. Even though it is not mandatory, 33% of respondents intend to provide IAS 39 compliant comparatives in their first IFRS compliant financial statements. An additional 20% have decided to provide an indication of what the impact of IAS 39 on the comparatives would be.

Respondents were requested to provide a perceived assessment of their readiness for IAS 39 compliance. The majority of the respondents have started the conversion project and believe that they are on target for the first year of compliance (Figure 18).

Firms have tended to use internal resources to drive IFRS conversion projects, with treasury and finance staff used in 93% and 76% of the respondents respectively. The main external resources used in these projects were auditors — being used by 63% of the respondents.

Most firms have estimated that their incremental costs of the IFRS conversion will range between £20,000 and £250,000, while 11% believe these costs could be in excess of £1 million (Figure 19).

Figure 19 – Estimated Incremental Costs for IFRS Conversion



The main areas that required the most effort and attention to meet IAS 39 requirements were hedging, fair valuation and profit & loss volatility (Figure 20).

As a result of IAS 39, 20% of the respondents have or plan to implement a new treasury system. While 34% have decided to use spreadsheets to meet the additional IAS 39 requirements, others intend to rely on existing systems.

Only 55% of the respondents indicated that the Board was either proactively involved in the IAS 39 project or regularly briefed on the status and implications of the project. This was surprisingly low, given the wide implications of IAS 39, in particular from profit & loss volatility.

Figure 18 – Perceived Readiness for IAS 39 Compliance

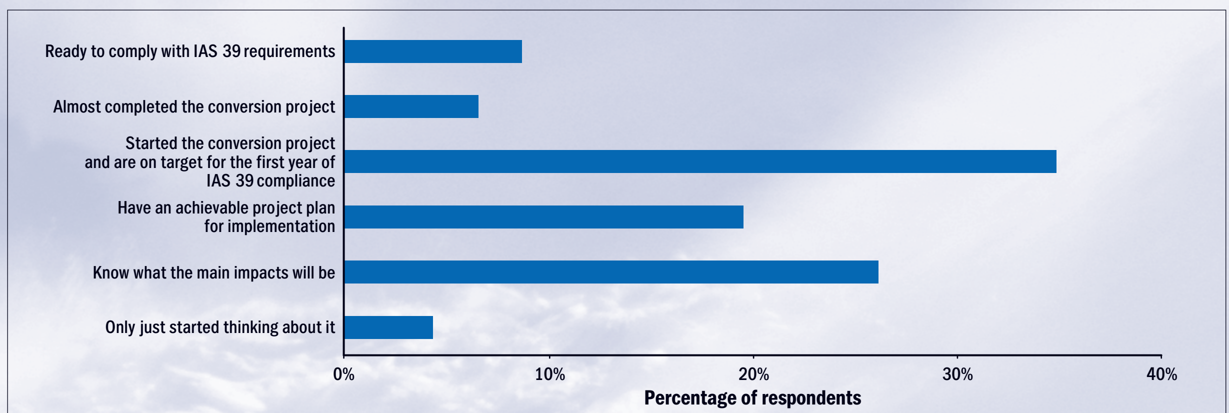


Figure 20 – Areas that required most focus and attention to meet IAS 39

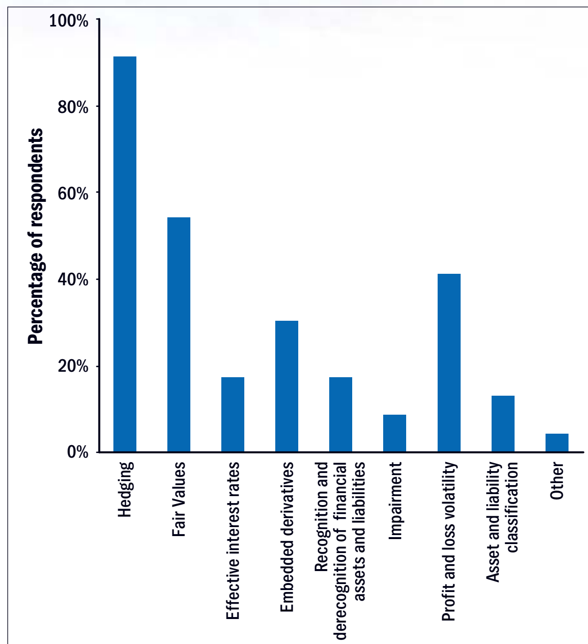
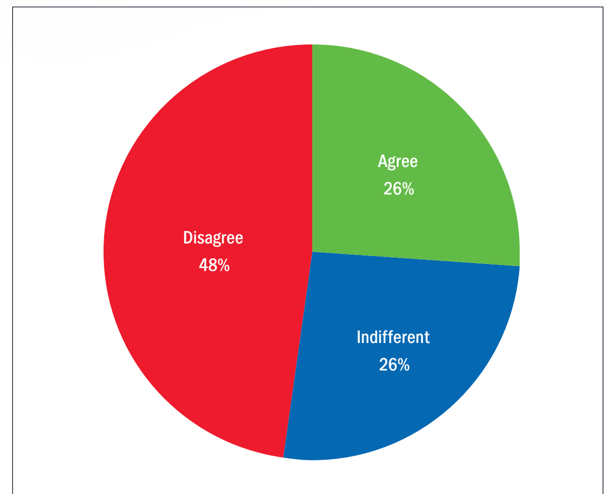


Figure 21 – Accounting under IAS 39 is a better reflection of risks inherent in treasury



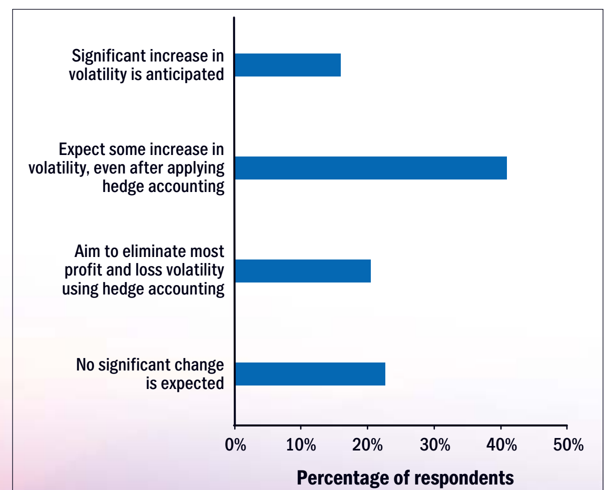
56% of organisations have prepared a full profit & loss and balance sheet assessment of IAS 39, but with varying degrees of success. Of those organisations that have not yet done so, 75% intend to undertake that assessment before the first date of compliance.

Despite the intended objective of IAS 39 to improve transparency and provide financial statement users with useful, comparable information, 48% of respondents believe that IAS 39 is not a better reflection of the risks inherent in a Treasury (Figure 21). This response may reflect the view that while treasurers may be economically hedged, if the rigorous IAS 39 hedging requirements are not met, then the accounting treatment may not reflect the real economic risks.

Impacts on financial results

77% of respondents expect IAS 39 to increase profit & loss volatility, 15% expect the impact to be significant. 20% of respondents, however, believe that most of the profit & loss volatility can be eliminated using hedge accounting (Figure 22).

Figure 22 – Expected Profit & Loss Volatility due to implementation of IAS 39



Several organisations will use a range of sources to calculate fair values. The majority of fair valuations are expected to be derived from either treasury systems or counterparty valuations.

45% of respondents do not think they have embedded derivatives that will require bifurcation. Where bifurcation is required, foreign currency/commodity purchase or sale contracts (18%) and own issued debt (16%) were identified as the main instruments that are likely to be affected.

Only 7% of respondents expected a significant impact on the financial results from the reclassification of debt and equity under IFRS, and most expect minimal impact on interest income or expense from using an effective interest rate.

Impact on business processes and policies

27% of respondents expect they will have to renegotiate financial covenants due to IAS 39 measurement and recognition requirements.

69% of respondents have had to change the structure and content of their management accounts and 31% moved to a centralised treasury structure due to the implementation of IAS 39.

Hedging

Most companies expect to be able to achieve hedge accounting under IAS 39 for between 75% and 100% of their FX and interest rate hedges. These figures are lower for equity, credit and commodity risk (Figure 23).

Although most companies expect to be able to achieve hedge accounting, a significant number of organisations do expect to report some ineffectiveness in profit and loss from hedge relationships (ie, relationships meet hedge accounting criteria but are not perfectly effective). However, for FX, interest rate and equity hedging high levels of effectiveness are expected (Figure 24).

56% did not expect any changes to their economic hedging policy as a result of IAS 39. However, 37% expect an increase in vanilla hedging derivatives and 21% intend to adopt a more back-to-back hedging strategy.

Figure 23 – Proportion of hedges expected to meet IAS 39 hedge accounting requirements

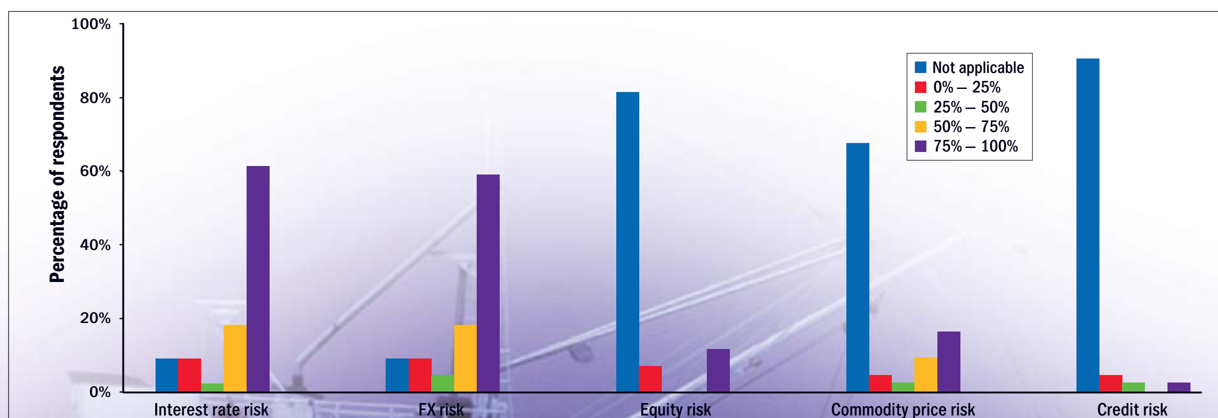
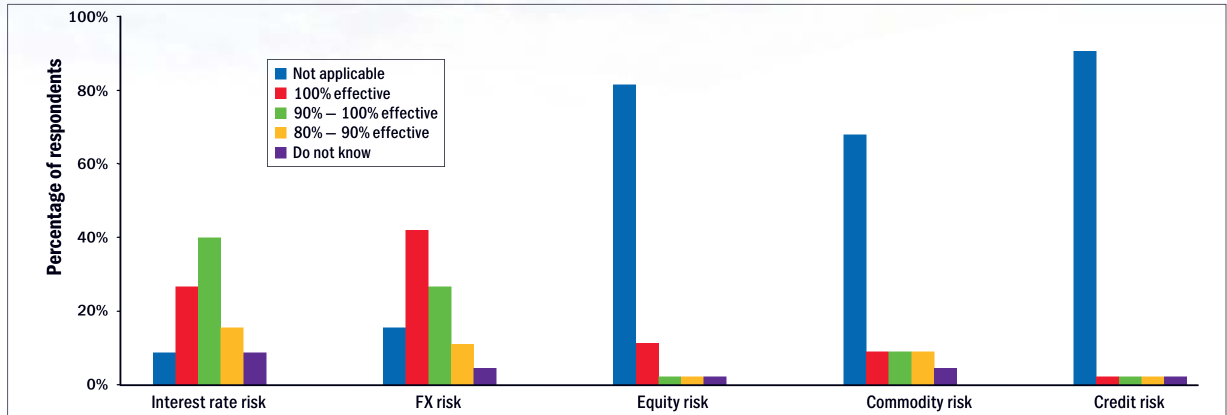
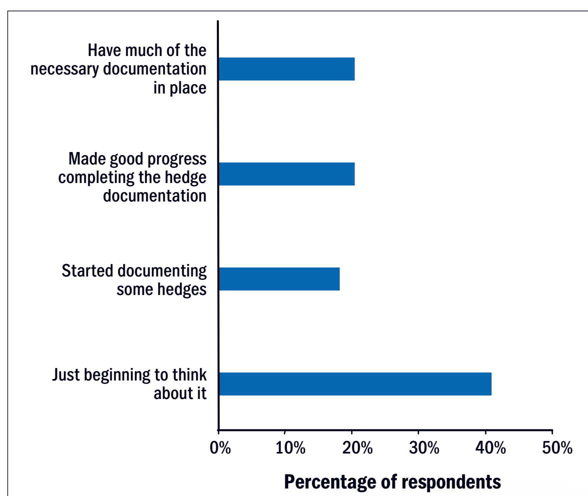


Figure 24 – Expected Effectiveness of Hedges under IAS 39



Respondents were requested to indicate what progress has been made in documenting their hedges. 41% had not started to document their IAS 39 hedges, while 20% had most of the documentation in place (Figure 25).

Figure 25 – Progress made in documenting hedges



A high proportion of respondents (45%) intend to use regression analysis or other statistical approaches to perform hedge effectiveness testing. The Dollar offset closely follows as the effectiveness testing method of choice at 36%. 34% have not yet decided on a their hedge effectiveness testing methodology.

Only 14% of the respondents have agreed their hedging approach with their auditors. However, 57% are currently in discussions with them.

Future developments

42% of organisations intend to take advantage of proposed changes to the Companies Act 1985, permitting the preparation of the individual company accounts under IFRS rather than UK GAAP.

Respondents comments included:

"Where possible all group companies will adopt IFRS providing no adverse tax consequences."

"Still not finally decided – but likely that all companies will report at local level under IFRS."

"There is no point in having to maintain two sets of accounting standards in the medium term."

Only 21% of respondents believe that the timelines outlined in the March 2004 ASB discussion paper regarding an accelerated strategy to converge UK GAAP with IFRS are achievable, while 66% believe it is optimistic and the remainder that they greatly underestimate the level of work involved.

Respondents comments included:

"So much still to be decided."

"Everything seems unlikely given current position."

There is relative disagreement as to whether UK GAAP convergence with IFRS is necessarily going to assist UK companies in maintaining their competitiveness within the international business arena. 39% agreed while 36% disagreed.

Respondents comments included:

"UK GAAP is good enough and well understood, IFRS, especially IAS 39 is not."

"Accounting standards, providing they are internationally recognised, have little to do with business competitiveness."

"Disagree with 'competitive' – it will enable investors to compare cross border on a like for like basis."

"Will distort commercial reality of business performance reporting."

5. About this Survey

Background

The survey was conducted by Ernst & Young's Financial Services Risk Management practice in conjunction with the Association of Corporate Treasurers (ACT). It followed on from the successful 2003 survey and was aimed primarily at treasurers outside the financial sector.

The objectives of the Treasury Operations Survey 2004 were to allow treasurers to:

- express their opinions on key issues affecting treasury operations
- benchmark their own operation against that of other organisations
- identify the latest trends in the structuring of treasury operations and the management of risk
- understand what impact IAS 39 is having on other organisations

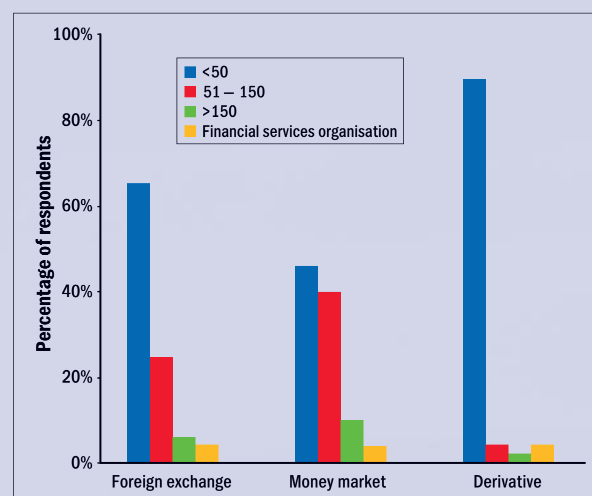
Respondent profile

We invited all ACT members to respond to the survey and over 50 responses were received. The size of the respondents varied although the majority of organisations surveyed had total assets and turnover in excess of £1 billion including a small proportion greater than £10 billion.

40% of organisations surveyed do not have a long term rating, and 53% do not have a short term rating. However, of those respondents with ratings, the majority have a long term rating of BBB to A and/or a short term rating of A-1 or A-2.

Most treasuries surveyed deal less than 50 transactions a month for both FX and derivatives, with the volume of money market transactions being slightly higher (Figure 26).

Figure 26 — Treasury activity level - deals per month



86% of respondents have UK GAAP as their primary reporting basis (6% IAS as primary). There are a variety of additional reporting bases used, with 64% of respondents also reporting under US GAAP and 20% IAS. 90% of respondent treasuries were based in the UK, although only 60% of parents were UK based. Most other parents reside elsewhere in Europe.

Survey Results

This report is available from both the Ernst & Young (*www.ey.com/uk*) and ACT (*www.treasurers.org*) websites. Additionally, hard copies of this report are available from Sally Spooner via e-mail at sspooner@uk.ey.com or at

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6. The Association of Corporate Treasurers (ACT)

Established in the UK in 1979, we are a centre of excellence for professionals in corporate finance, risk and cash management operating in the international marketplace. For our growing worldwide membership we provide specialist qualifications, training and publications tailored to individual needs. Our attention to detail and commitment to quality ensures that the ACT is recognised as a leading provider of treasury products and services.

Our aim is to meet the needs of our membership by:

- Representing the views and best interests of treasurers.
- Adding value to membership through career enhancing services such as our innovative CPD programme, regional group meetings and symposia.
- Providing training and conferences, which are both topical and essential.
- Remaining the premier provider of treasury information and support — which has been greatly enhanced through our comprehensive website, *www.treasurers.org*.
- Developing our qualifications to meet the changing needs of the treasury profession.

If you would like further information on any of our activities, or wish to join, then please contact us at:

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A copy of this survey is available for download at *www.treasurers.org*

7. Ernst & Young's Global Treasury Advisory Services Group

Our team of seasoned treasury professionals provide advice and support to clients in an increasingly challenging environment.

We help corporate and financial sector treasuries to:

- manage the risks to which their activities expose them
- comply with the rules and regulations that govern different aspects of their operations
- ensure that they perform the various functions for which they are responsible as effectively as possible

Our services

Risk Management Assessment — identification and quantification of the risks that impact treasuries, review and develop risk management strategies, policies and procedures, and develop measurement processes for foreign currency, interest rate, commodity price, credit and operational risk.

International Accounting Standards — assist companies in understanding and overcoming the challenges presented by convergence to International Accounting Standards, specifically IAS 39, through services such as impact assessments, diagnostic projects and assistance with the implementation of changes required to comply with IAS 39.

Treasury Process and Control Review — full review of all the functions performed by treasuries with gap analyses against leading industry practice and compliance with relevant legislation eg. S404 of the Sarbanes-Oxley Act for SEC registrants.

Treasury Structure — development and implementation of innovative treasury structures that meet the business goals of the organisation whilst maximising the efficiency of the various functions within treasury.

Cash forecasting and Liquidity Management — review of a company's cash collection and disbursement mechanisms, bank relationships and account structures on a worldwide basis to effect efficient management and investment of funds.

Asset and Liability Management — review of a financial institution's asset/liability management process from both the business and the regulatory perspective. The review addresses management oversight, data, risk measurement methodologies, modelling assumptions, controls, management reporting and risk limits.

Treasury Systems — a wide spectrum of system related services including needs assessment, RFP development and scoring, vendor selection, project management and programme assurance.

Our qualifications

- The right people, analytical processes and technology to deliver results.
- Expertise across all treasury risks including foreign currency, interest rate, commodity price, credit and operational risk.
- Practical expertise in a wide range of industries and in different sizes of organisation.
- The ability to fully support and implement any recommendations.

In addition to the UK, the Treasury Advisory Group is also represented in Continental Europe, North America and Australia.

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A copy of the survey is available from *www.ey.com/uk*

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